



INTERNATIONAL EGG AND POULTRY REVIEW

ISSN 1522-5100



U. S. Department of Agriculture

Agricultural Marketing Service

Poultry Programs

Market News Branch

European Union Ends Ban on Chinese Poultry

On May 24, the European Union Veterinary Committee announced that the EU had lifted its five-year ban on poultry imports from China. A total of 14 companies, 10 located in Shandong Province and four in Shanghai, are the first to be registered to export to the EU.

Industry sources indicated that the ban was lifted for two reasons. First, China has established a Sanitary Quality Administration System, a Social Epidemic Prevention System, and a Veterinary Drugs Residue System. These systems will help to guarantee the quality of poultry meat, and have received the approval of the EU.

The second factor, according to industry sources, is the spread of livestock diseases such as Bovine Spongiform Encephalopathy (BSE) and foot and mouth disease (FMD) in the EU, which have caused consumers to switch from beef and pork to poultry products.

The Chinese and EU officials have yet to reach a full agreement. An initial tariff rate has been determined and the annual export volume set at 30 MT or more, comparable to pre-ban levels. If there are no complications, exports should begin by early July. Upon arrival in the EU, shipments will require 2 to 4 weeks for inspection. In autumn of this year, the EU will reinspect the currently approved exporters. Increased exports to the EU will cause domestic poultry prices to increase. China's capacity for increased production and keen competition among Chinese producers is expected to keep prices under control, however.

Prior to the imposition of the ban in August 1996, China's average annual exports of poultry meat to the EU amounted to 50 MT, accounting for roughly one-sixth of China's total poultry exports. The primary demand from the EU is for chicken breast meat, in contrast to Japan, where demand emphasizes leg quarters. In the past Chinese exporters were able to take advantage of this contrasting demand, supplying each market with its preferred cuts.

The ban caused China to lose market share to Thailand and Brazil. In the wake of the ban, Japan became China's largest export market. The outbreak of FMD and BSE in the EU reinforced this trend, by drawing Thai and Brazilian exports away from Japan and into the EU. As a result, poultry prices in Japan have risen from \$1,300/MT to \$1,700/MT and may reach as high as \$2,000/MT. Chinese industry sources believe that EU demand should remain strong for at least another year and a half, providing a strong export market for Chinese poultry.

Shandong is the top-ranked poultry producer and exporter in China. In 2000, Shandong exports reached 150 MT, valued at \$233 million. Most of the exports went to Japan. Exporters are typically heavily integrated companies that include breeding, hatching, processing and export operations. These companies

are confident of their ability to meet sanitary requirements and to expand their production capacity. They regard the EU inspection and quarantine standards as the strictest in the world. Sources in Hong Kong have noted that, despite the lifting of the ban, Chinese poultry will likely face a new technical barrier recently raised by the EU. The EU requires that imported poultry from China be subject to inspection for Newcastle's Disease. In addition, detection of avian influenza in Chinese poultry exports to South Korea may cause further complications. Since one of the exporters in question is among those approved for export to the EU, the Chinese government has reportedly requested a delay in lifting the ban. This will allow China to resolve these conflicts prior to beginning exports to the EU, and avoid any problems that might jeopardize this newly opened market.

Source: USDA/Foreign Agricultural Service

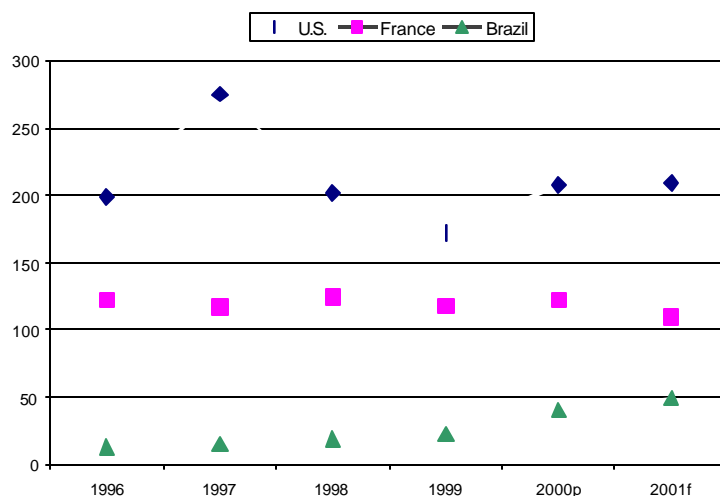
Japanese Powdered Egg Imports (in tons)

	Powdered Whole Eggs	Powdered Yolks	Powdered Albumen	Total
Month				
2000				
January	230.1	139.3	861.1	1,230.5
February	132.3	64.2	811.5	1,008.0
March	187.9	192.1	805.4	1,185.4
2000 To-Date	550.3	395.6	2,478.0	3,423.9
2001				
January	233.2	199.3	910.1	1,342.6
February	177.9	172.4	758.2	1,108.5
March	211.1	194.9	905.1	1,311.1
2000 To-Date	622.2	566.6	2,573.4	3,762.2

Source: ALIC Monthly Statistics

Turkey Meat Exports Selected Countries

(1,000 metric tons in ready-to-cook equivalents)



(p) preliminary

(f) forecast

Source: USDA/Foreign Agricultural Service

210 WALNUT STREET, ROOM 951, DES MOINES, IOWA, 50309 515/284-4471 FAX 515/284-4468

Visit us on the World Wide Web at <http://www.ams.usda.gov/marketnews.htm>

Inspected Egg Products-U.S. & Canada Export/Import Trade**U.S. Exports to Canada, in Pounds (000) (Preliminary)**

Week Ending Jun 23, 2001	Year-To-Date			
	2001	2000 /1	2001	2000
Liquid	174	168	5,398*	2,917
Frozen	0	41	40*	126
Dried	18	40	40	286
Total	192	249	5,478	3,329

*Previous Week Revised

U.S. Imports From Canada, in Pounds (000) (Preliminary)

Week Ending Jun 23, 2001	Year-To-Date			
	2001	2000 /1	2001	2000
Liquid	248	128	2,638	3,000
Frozen	11	19	638	329
Dried	0	22	301	610
Total	259	169	3,577	3,939

Inspected Shell Eggs**U.S Exports To Canada, In 30-Dozen Cases (Preliminary)**

Week Ending Jun 23, 2001	Year-To-Date			
	2001	2000 /1	2001	2000
Jumbo	0	86	87	711
Extra Large	1,717	1,329	23,022	19,491
Large	2,889	4,017	57,383	72,442
Medium	840	1,043	22,028	16,973
Ungraded	13,230	9,780	165,860	107,710
Misc	3,800	0	40,904	6,237
Total	22,476	16,255	309,284	223,564

/1 Comparable Week, to-date figures may not total due to rounding.

Source: USDA/AMS Poultry Programs, Market News Branch in cooperation with Agriculture Canada, Poultry Development Division.

CENTRAL REGION MECHANICALLY SEPARATED CHICKEN

F.O.B. SHIPPER DOCK OR EQUIVALENT, PRICES NEGOTIATED FOR MECHANICALLY SEPARATED CHICKEN IN THE CENTRAL REGION IN TRUCKLOT AND LESS THAN TRUCKLOT VOLUMES, CENTS PER POUND, DELIVERY WITHIN TWO WEEKS.

LIVE POULTRY SLTRD UNDER INSPECTION W/E 23-June-01
(PRELIMINARY) **U.S. FOWL SLAUGHTERED DOMESTICALLY**

	LIGHT HENS	HEAVY HENS	TOTAL HENS
	THOUSANDS		
HEAD	1,822	1,553	3,375
LAST WEEK	1,803	1,260	3,063
SAME WEEK YR AGO	1,954	1,664	3,618
TO-DATE/2001	44,857	33,596	78,453
TO-DATE/2000	49,925	35,211	85,136

U.S. FOWL SLAUGHTERED IN CANADA

	LIGHT HENS	HEAVY HENS	TOTAL HENS
	THOUSANDS		
HEAD	506	7	513
LAST WEEK	435	0	435
SAME WEEK YR AGO	547	9	556
TO-DATE/2001	12,133	187	12,320
TO-DATE/2000	12,511	68	12,579

SOURCE: AGRICULTURE CANADA, PLTRY DEVELOPMENT DIV.

TOTAL U.S. FOWL SLAUGHTERED IN THE U.S. AND CANADA

	LIGHT HENS	HEAVY HENS	TOTAL HENS
	THOUSANDS		
HEAD	2,328	1,560	3,888
LAST WEEK	2,238	1,260	3,498
SAME WEEK YR AGO	2,501	1,673	4,174
TO-DATE/2001	56,990	33,783	90,773
TO-DATE/2000	62,436	35,279	97,715

EASTERN REGION MECHANICALLY SEPARATED CHICKEN

F.O.B. SHIPPER DOCK OR EQUIVALENT, PRICES NEGOTIATED FOR MECHANICALLY SEPARATED CHICKEN IN THE EASTERN REGION IN TRUCKLOT AND LESS THAN TRUCKLOT VOLUMES, CENTS PER POUND, DELIVERY WITHIN TWO WEEKS.

29-JUN-2001				
CHICKEN	PRICES		VOLUME	
	(Cents per Pound)			

FAT	FROZEN	FRESH	TOTAL	EXPORT
CONTENT				
15% OR LESS				
RANGE	-	-	-	-
WTD AVERAGE				

CHICKEN, WITH SKIN ADDED

29-JUN-2001				
CHICKEN	PRICES		VOLUME	
	(Cents per Pound)			

FAT	FROZEN	FRESH	TOTAL	EXPORT
CONTENT				
15% OR LESS				
RANGE	23.00	21.00	122,400	81,600
WTD AVERAGE	23.00	21.00		
15-20%				
RANGE	18.00-20.00	15.00-20.00	1,677,600	1,106,400
WTD AVERAGE	18.93	17.47		
20% OR MORE				
RANGE	-	-	-	-
WTD AVERAGE				

* INCLUDES THE STATES of AL, AR, IA, IL, IN, KS, KY, LA, MI, MN, MO, MS, ND, NE, OK, OH, SD, TN, TX, WI

29-JUN-2001				
CHICKEN	PRICES		VOLUME	
	(Cents per Pound)			

FAT	FROZEN	FRESH	TOTAL	EXPORT
CONTENT				
15% OR LESS				
RANGE	-	20.00	4,080	-
WTD AVERAGE		20.00		

CHICKEN, WITH SKIN ADDED

29-JUN-2001				
CHICKEN	PRICES		VOLUME	
	(Cents per Pound)			

FAT	FROZEN	FRESH	TOTAL	EXPORT
CONTENT				
15% OR LESS				
RANGE	20.50-24.00	20.50-24.00	1,076,000	316,000
WTD AVERAGE	21.65	22.69		
15-20%				
RANGE	20.25-22.50	18.00-20.50	1,937,040	780,000
WTD AVERAGE	21.78	19.22		
20% OR MORE				
RANGE	-	17.00	80,000	-
WTD AVERAGE		17.00		

* INCLUDES THE STATES of CT, DE, FL, GA, MA, MD, ME, NC, NH, NJ, NY, PA, RI, SC, VA, VT, WV

NATIONAL YOUNG TURKEY PARTS AND BULK MEAT, FROZEN (UNLESS SPECIFIED), CENTS PER LB., DELIVERED FIRST RECEIVERS, PART AND FULL TRUCKLOTS AS OF 29 JUNE 2001.

The undertone was mostly steady on tom breast meat and destrapped tenderloins with some sellers expressing increased confidence for post holiday market conditions. The trade sentiment on 15-20% mechanically separated turkey (MST) was mostly steady with increased cautiousness noted. Demand was fair to good on white meat items and MST for the generally adequate supplies. Rib breast trading was light on private label Grade A 4-8 lb. breasts with no net and timer. Parts loads of Grade A non-basted 10-12 lb. breasts traded at 110-115 and plant grade basted 16-20 lb. breasts at 110 cents delivered. Offerings of Grade A 4-8 lb. breasts were light at best with private labels the least available, plant grades adequate. Export inquiry slow to moderate. Buyers continued to bid thigh meat lower. Trading fair on fresh tom breast meat for domestic shipments, balance light.

FRIDAY, JUNE 29, 2001**EXPORT TRADING**

	PRICE RANGE	L.S.T. CODE 1/	WTD AVG PRICE	VOLUME (000)	WEEKLY WTD AVG PRICE	WEEKLY VOLUME (000)
DRUMSTICKS, TOMS	30.00		30.00	40	30.34	1,356
WINGS FULL-CUT - TOMS		W	28.00	52	28.00	52
WINGS, V-TYPE, TOM	27.00		27.00	104	27.85	609
TAILS		R	29.00	40	29.00	144
MECHANICALLY SEPARATED 2/		M	27.75	52	27.75	52
THIGH MEAT - FROZEN	65.00		65.00	52	66.50	845

THURSDAY, JUNE 28, 2001**EXPORT TRADING**

	PRICE RANGE	L.S.T. CODE 1/	WTD AVG PRICE	VOLUME (000)
DRUMSTICKS, TOMS	30.50-32.00		31.00	120
WINGS FULL-CUT - TOMS		W	28.00	52
WINGS, V-TYPE, TOM	26.50		26.50	245
TAILS	29.00		29.00	40
MECHANICALLY SEPARATED 2/		M	27.75	52
THIGH MEAT - FROZEN	64.00		64.00	21

WEDNESDAY, JUNE 27, 2001**EXPORT TRADING**

	PRICE RANGE	L.S.T. CODE 1/	WTD AVG PRICE	VOLUME (000)
DRUMSTICKS, TOMS	30.00-32.00		30.73	328
WINGS FULL-CUT - TOMS	28.00		28.00	52
WINGS, V-TYPE, TOM	30.75		30.75	156
TAILS	29.00		29.00	104
MECHANICALLY SEPARATED 2/		M	27.75	52
THIGH MEAT - FROZEN	65.00-69.50		66.70	720

TUESDAY, JUNE 26, 2001**EXPORT TRADING**

	PRICE RANGE	L.S.T. CODE 1/	WTD AVG PRICE	VOLUME (000)
DRUMSTICKS, TOMS	29.00-30.00		29.60	260
WINGS FULL-CUT - TOMS		F	28.00	480
WINGS, V-TYPE, TOM	27.50		27.50	104
TAILS				
MECHANICALLY SEPARATED 2/		M	27.75	52
THIGH MEAT - FROZEN	66.25		66.25	52

MONDAY, JUNE 25, 2001**EXPORT TRADING**

	PRICE RANGE	L.S.T. CODE 1/	WTD AVG PRICE	VOLUME (000)
DRUMSTICKS, TOMS	30.00-31.00		30.34	608
WINGS FULL-CUT - TOMS		F	28.00	480
WINGS, V-TYPE, TOM		W	29.00	80
TAILS				
MECHANICALLY SEPARATED 2/	27.75		27.75	52
THIGH MEAT - FROZEN		F	67.00	104

1/ CODES FOR LAST SIGNIFICANT TRADE (L.S.T.): M=MONDAY T=TUESDAY W=WEDNESDAY R=THURSDAY F=FRIDAY
2/ Product contains 15-20% fat with skin added.